

## Capital Raising

Taking a new business, product or service to the market is both exciting and stressful. There are so many issues to take into consideration: financial, people, strategy, regulatory, as well as keeping the daily operations on track. The process of raising capital, adds another layer of complexity with securing the most appropriate investors, and implementing the right ownership structures, agreements and compliance processes becoming the next steps you need to tackle.

Working through your options to arrive at a confident decision can be time consuming and the commitments more than you're entirely comfortable making. Or you might proceed with absolute conviction, only to later discover you could have been more adequately prepared and found a better deal.

The following tips will help you begin with the right approach:

### The 7 Main Points Required to Successfully Raise Capital

1. Your business (plan) is going to be put under the microscope by people much wiser than yourself, so be prepared. Make sure you do more due diligence than a potential investor ever could. Also, ensure that any investor is a suitable cultural fit for your business.
2. You need to have your financial projections, intellectual property and legal affairs in working order. A business plan must be clear and precise, and must be able to be presented in layperson's terms. Cut out the technical & industry jargon, choose someone in your team to do this, even if its not you (the inventor/founder).
3. Be conservative with your projections, especially if you are a start up, better to under promise and over deliver. Let your initial/early investors win at all costs, they will be your best and most loyal supporter(s) through thick and thin.
4. You have to be able to answer all questions, "Why do you need that much money? What are you going to do with it? What return can I expect?" and/or "What is your exit plan?" Be prepared for the questions you don't want to answer, you will end up with (at the very least) a Top 10!
5. Pick the right advisor(s) for you. Make sure you choose people who are going to be able to take you the distance, from where you are now to where you want to be, and experts that you feel comfortable with. You can end up paying too much (for not much). Look for performance based consultants and check for references from previous clients.
6. Get referrals to potential investors, rather than going too far outside your circle of influence. Find people who already know and trust you, they will be your best resource.
7. Finally, never give up. Someone is always going to tell you that you are mad (or worse) and most times, they've never been successful in any business. Enjoy the experience, get the best advice and surround yourself with a strong team, learn from your successes and mistakes. Stay true to your plan, vision and your values.

### There is support available

The capital raising process is not usually a short process, so you need to be prepared for the long haul.

You could confront all this alone and attempt all the hard work yourself. The alternative is to access a full compliment of business advisory services designed to help you successfully navigate through these issues and any others you may face now and in forming the best path forward to reach your full potential.

Liability limited by a scheme approved under Professional Standards Legislation.



## **Services MPR Capital provides**

We can assist you in the following areas:

- Share Capital Structuring
- Capital Raising
- Executive/Board Selection
- Valuation Advice
- Strategic Planning
- Corporate Governance

## **Contacts**

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